CEDMC State Policy Call

September 12, 2025

Great News! Thank you to all of you for working together effectively to this great outcome!

- **AB-825 Independent System Operator: independent regional organization**
    - SEC. 4. Chapter 10.9 (commencing with Section 25945), the Statewide Demand Side Management Program Review Task Force we opposed, has been replaced with new language supporting the Independent System Operator (Pathways).
    - From Chris Burmester, CEDMC Chair

      The threat will continue, so it's time to take it on the offense and continue our ongoing educational initiatives. We've built good momentum and I think what helped in the end was the ongoing and consistent messaging from our lobbyists and individuals with members and their staff, hitting on the same points from our EE Defense Summit: EE/DSM is a big part of the solution to affordability, good for all Californians, lowers bills, and cutting it will increase bills.
    - We're getting through with this consistent messaging and aligning with other stakeholders so we want to redouble our efforts in the coming session.
    - We also see potential to actively collaborate with certain members on sensible reforms that we all agree to - cost-effectiveness, timing, oversight accountability, etc. We'll make it a priority to align on a schedule and plan to get that going ahead of the next session.
- **Senate Leader McGuire Announces Agreement Reached for Pro Tem Designee, Transition to Occur in 2026**
    - Press release announcing Senator Monique Limón as the Pro Tem Designee.
    - Senator Monique Limón is an American politician serving as a member of the California State Senate. She is a member of the Democratic Party representing the 21st Senate District, which encompasses all of Santa Barbara County and over half of Ventura County.

- **Governor Newsom, legislative leaders announce major deal to save money on electric bills, stabilize gas market, cut pollution (Sept. 10)**

  Saving money on electric bills.

  - AB 1207 (Irwin) and SB 840 (Limon) significantly increases the state's Climate Credit that shows up on utility bills – saving Californians hundreds of dollars every year.

  - AB 825 (Petrie-Norris/Becker) lowers customer energy costs, improves electric grid reliability and cuts climate pollution by enabling California to expand regional power markets to share clean energy throughout the West.

  - SB 254 (Becker/Petrie-Norris) lowers customer energy costs and improves utility wildfire safety. It enables more affordable electric grid investments by improving utility wildfire oversight, creating an expanded Wildfire Fund and enhancing oversight of utility business practices.

  Stabilizing the gasoline market.

  - SB 237 (Grayson/Wilson) mitigates against future gasoline price spikes by stabilizing the production of in-state petroleum and refinery supply and diversifying the state's transportation fuel supply, while protecting communities near petroleum wells and increasing safety requirements on idle petroleum pipelines.

  Cutting pollution and growing the economy.

  - AB 1207 (Irwin) and SB 840 (Limon) extends the state's preeminent climate program, Cap-and-Invest, formerly known as Cap-and-Trade. It bolsters California's ambitious leadership in cutting climate pollution in the state while growing the state's economy and improving the quality of life for millions of Californians. Cap-and-Invest stimulates both direct and indirect investment of tens of billions of dollars into the state's economy with investments in clean energy, natural and working lands, local transit and rail projects, affordable and sustainable housing, clean water, healthy forests and wildfire prevention and response and more.

  - SB 352 (Reyes) expands local air pollution reduction efforts and oversight in California's most polluted communities by extending air pollution monitoring periods and ensuring the state and local air quality improvement agencies are redoubling their efforts to deploy effective air pollution reduction strategies.

- **CAP & Invest - AB 1207 (Irwin) Climate change: market-based compliance mechanism: extension**.
    - Reauthorizes Cap & Trade program through 2045
    - Renames Cap & Invest program
    - Aligns program with CA overall climate strategy for achieving net zero goal by 2045
    - Climate credit reduces utility bills; Redirects funds from nat gas to now highest bill months
    - Public financing for transmission
    - CARB allowances for industries of greatest risk leaving CA
    - 6% of offset usage
    - Maintains assurances that offsets benefit Californians, 1 offset for every compliance used
    - CARB chair appear before Legislature
    - CARB prioritize affordability and consumer protections
    - Economic analysis to be provided to leg
    - Annual oversight hearing on how GGRF spent, meeting outcomes

SUPPORT - CAP and Invest (AB 1207)

Environmental Defense Fund

- Cornerstone of CA suite of climate policy
- Most cost effective climate policy
- Compromise, imperative to pass now
- Preserves the offset program but updates, responding to potential environmental concerns

Coalition for Clean Air

- Return the allocation process to what we hope is a merit based system on who most needs
- Would like to see stronger community air protection and hope to work on next year
- Did not support the 2017 reauthorization, think this is better

Building Trades

- What a compromise, pleasure to be here, no one got everything they wanted but pleased

Pacific Forest Trust

SPUR and SF Chamber

Heirloom Carbon

CA Transit Assn

Nature Conservancy

NRDC

Climate Center

NextGen Policy

SCPPA

CA NV Operating Engineers

CA Housing Consortium

Conservation International, Tree People…

Climate Action CA, 350 Sacramento

Clean Air Task Force

E2

Assn of General Contractors

CMUA

CA Alliance for Jobs

State Laborers

PG&E

Ceres

CalSTART

Building Decarbonization Coalition

CA Compost Coalition

Rethink Waste

Union of Concerned Scientists

CA Council of Economic Balance

Cement Manufacturers

Pacific Steel Group

Clean and Prosperous CA

Greenlining

CA Climate and Ag

CA Environmental Voters

NPH

Southern CA Edison

OPPOSITION

CalChamber

- Since 2017 C&T has been workforce climate tool
- Evaluates through lens of affordability
- AB 1207 tries to strike balance and applaud author and staff, while proud to support 2017 reauthorization but AB 1207 exacerbates affordability problem
- Highest energy cost in nation; shifts allowances from gas to electricity; hurts low income households and small biz that can't afford to electrify
- Should not be reauthorized in late amendments, program runs through 2030, can work on next year

CEJA

- Not done effectively or equitably
- Frontline communities near stationary emissions
- Engaged in good faith, urged for reforms on reducing climate loopholes, equitable relief for low income ratepayers
- Appreciate CARB authority on leakage rate
- Look forward to continued work in 2026

DISCUSSION

Menjivar

- Shouldn't have to vote on bill that we couldn't have input on
- Frustration on big policy deal came together in final hours of session; accuse of not being a team player
- Lock into program for 15 years
- Frustrated that we, actual cmte in charge, had no say in this bill. Maybe our chair had a little say. Not democracy, frustrating
- CA Climate Credit

Irwin:

- Had a working group in the Asm since January, we floated a proposal weeks ago, we would have also preferred a more transparent process, but we are here today
- Number of stakeholder meetings
- Encouraging electrification- climate credit is equitable
- Bigger policy of cap and trade is to move toward an emission free future, so subsidy on gas did not make sense

Menjivar: Bill directs carb to address affordability. What will this look like?

Irwin: Offsets. Focus on accountability from CARB.

Menjivar: Can we come back and make changes in the following years?

Irwin: Yes, through legislation

Blakespear: Senate did not release a proposal at all and we were never clear on what we wanted, went into negotiations unclear as to what we wanted/ where we were going. Hope to not repeat this in any future situation. Breach of rules of engagement of how our bodies engage.

Blakespear: We are charting a course towards affordability. We will reestablish this flagship climate program and provide tangible benefits through restored market certainty.

Valladeres: this bill is all about ambition and not affordability. Will not vote for this.

Reyes: concerns around this becoming a pay to pollute program. Cap and invest is a critical program. Negotiations with stakeholders brought us here. Program has improved.

Votes: 4-1 on call
Blakespear: Aye
Valladeres: no
Menjivar: aye
Perez: aye
Reyes: aye